CITY OF
WILLISTON
ECONOMIC DEVELOPMENT

Senate Bill 2406 Testimony: Oppose
Hon. Jerry Klein, Chairman
Special Ad Hoc Policy Committee

September 1, 2026

Chairman Klein and Committee Members,

My name is Anna Nelson, Executive Director of Williston Economic Development. Let me begin by saying that I completely agree with ensuring that our elected and appointed officials and those acting on behalf of politic subdivisions are transparent, honest, and ethical in their work. My testimony today does not deny the importance of those elements, but rather is intended to shed some light on economic development organizations' work and how some of the language could unintentionally, adversely affect practitioners and their projects statewide.

ADVERSE EFFECTS: ECONOMIC DEVELOPMENT OFFICES

Economic development offices (EDOs) across the state are typically either situated under political subdivisions, as mine is, or are contracted by and receive funding from political subdivisions. As the bill is written, every office in the state would be affected, regardless of structure, as would every deal and project initiated within the active period outlined in the bill's text. The latter is further explained below.
Applicable section: Page 1, Section 1, 44-04.1-01. Definitions, Item 1, line 10

ADVERSE EFFECTS: PROJECTS

The definition of the "industrial project," which I understand was added as a result of the discussion during the Legislative Management hearing, is incredibly broad. As written, it would apply to any business, including our small businesses and commercial projects. Additionally, prohibiting any clause or language in any contract that identifies a project as confidential will have widespread impacts. The site selection process is typically confidential regardless of industry, for myriad reasons, including but not limited to trade secrets, intellectual property, security implications, competitor knowledge, protections during due diligence period, and more. In my experience, NDAs have been few and far between, but requests for confidentiality during initial contract periods are fairly standard, so it is very important that all EDOs are allowed to utilize that language and provide those protections.
Applicable sections: Page 1, Section 1, 44-04.1-01. Definitions, Item 4, lines 22-23
Page 2, Section 1, 44-04.1-01. Definitions, Item 5.b., line 9

ENFORCEMENT/PENALTY:

Regarding the enforcement/penalty section, there is a note of an "application," but this is not further defined. There are numerous applications that businesses and developers complete during the course of a project, so whether this is a directive to add another one or change current applications, this would need to be clearly defined and standardized and would likely cause an administrative burden on whatever organization or entity enforces this.
Applicable section: Page 3, Section 1, 44.04.1.04. Application requirements, item 1, line 2

For these reasons, I respectfully urge the committee to recommend DO NOT PASS on SB 2406. Thank you for your consideration of these concerns, and please feel free to reach out with questions or to discuss further.

Sincerely,

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